

Message Text

CONFIDENTIAL

PAGE 01 STATE 058246

61

ORIGIN EUR-12

INFO OCT-01 ISO-00 CIAE-00 PM-03 INR-07 L-02 ACDA-05

NSAE-00 PA-01 PRS-01 SP-02 USIA-06 TRSE-00 SAJ-01

SS-15 NSC-05 H-02 /063 R

DRAFTED BY OSD/DDR AND E:COL LARIMER;EUR/RPM:

APPROVED BY EUR/RPM:EJSTREATOR

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OSD/ISA:MR MILLER

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JS/J-5:COL FYE

EUR/P:MR GEHRON

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R 142343Z MAR 75

FM SECSTATE WASHDC

TO AMEMBASSY BRUSSELS

AMEMBASSY COPENHAGEN

AMEMBASSY OSLO

USMISSION NATO

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INFO AMEMBASSY ANKARA

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CONFIDENTIAL

CONFIDENTIAL

PAGE 02 STATE 058246

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C O N F I D E N T I A L STATE 058246

E.O. 11652: GDS

TAGS: BEXP, MASS, NATO

SUBJECT: AIRBORNE WARNING AND CONTROL SYSTEM (AWACS)
-- AND THE AIR COMBAT FIGHTER (ACF) F-16 PROGRAMS
-- IN NATO EUROPE

REF: A) STATE 25687, B) COPENHAGEN 617,
-- C) BRUSSELS 1972

JOINT STATE/DEFENSE MESSAGE

1. THE U.S. AWACS INITIATIVE IN NATO EUROPE HAS BEEN UNDERWAY SINCE 1973 AT WHICH TIME THE U.S. GOVERNMENT OFFERED TO SELL NATO THE AWACS E-3A AND/OR THE E-2C HAWKEYE. THE COST OF ACQUISITION FOR EITHER OF THESE TWO SYSTEMS WOULD BE COMPUTED AT ACTUAL LEARNING CURVE COSTS WITH AN R AND D SURCHARGE APPLIED WHICH WOULD NOT EXCEED FOUR PERCENT OF THE TOTAL FOREIGN MILITARY SALES COST.

2. AT THE CONFERENCE OF NATIONAL ARMAMENT DIRECTORS (CNAD) IN BRUSSELS OCTOBER 1973, IT WAS AGREED THAT NATO GROUPS WOULD STUDY THE RELEVANCE OF THE AWACS FOR USE IN NATO AIR DEFENSE. THE OBJECTIVE WAS TO COMPLETE THE

STUDIES (INCLUDING POSSIBLE ALTERNATIVES TO THE AWACS) AND PROVIDE A REPORT TO THE CNAD IN APRIL 1974. THE CNAD WOULD THEN RECOMMEND A COURSE OF ACTION AT THE JUNE 1974 MEETINGS OF THE DEFENSE PLANNING COMMITTEE AND THE NORTH ATLANTIC COUNCIL. THE COMPLEXITY OF THE STUDY TASK (I.E. COMPLETE UNDERSTANDING OF THE AWACS' CAPABILITIES, ITS INTERFACE WITH THE NATO AIR DEFENSE GROUND ENVIRONMENT, AND ASSOCIATED FUNDING, INDUSTRIAL

CONFIDENTIAL

CONFIDENTIAL

PAGE 03 STATE 058246

COLLABORATION, AND OPERATIONAL CONCEPT/REQUIREMENTS ASPECTS) PRECLUDED COMPLETION OF THE REPORT AS ORIGINALLY SCHEDULED. THE DATE FOR SUBMITTAL OF THE REPORT TO THE CNAD WAS SLIPPED TO APRIL 1975.

3. IN FEBRUARY 1975, THE U.S. GOVERNMENT OFFERED TO CONTRIBUTE A FAIR SHARE TOWARD A FORCE OF NATO AWACS UNDER THE OPERATIONAL CONTROL OF SACEUR, SACLAN, AND

CINCHAN AS DESIGNATED BY THE NATO MILITARY COMMITTEE. ALL PROVISIONS OF THE ORIGINAL 1973 OFFER REGARDING LEARNING CURVE COSTS AND THE FOUR PERCENT R AND D SURCHARGE (PARA 1 ABOVE) WERE PRESERVED. THE TOTAL R AND D COSTS OF THE U.S. AWACS PROGRAM ARE NOW ESTIMATED AT DOLLARS 1.49 BILLION. IN OUR VIEW, THE U.S. SHARE OF THE NATO AWACS FORCE WOULD BE APPROXIMATELY TWENTY-FIVE PERCENT OF THE PRODUCTION COSTS IN ACCORDANCE WITH THE TRADITIONAL INFRASTRUCTURE SHARING ARRANGEMENTS AND WE HAVE SO TESTIFIED BEFORE CONGRESS.

4. ALSO IN FEBRUARY 1975, THE SECRETARY OF DEFENSE CERTIFIED TO THE CONGRESS THAT THE PROCUREMENT OF A U.S. FORCE OF FIFTEEN AWACS WAS COST-EFFECTIVE FOR USE IN LIMITED WARFARE CONTINGENCIES WHEREVER U.S. FORCES ARE DEPLOYED. THE DECISION REGARDING THE ULTIMATE U.S. FORCE LEVEL WILL BE HELD IN ABEYANCE UNTIL SUCH TIME AS NATO MAKES A DECISION (OR AN AGREEMENT-IN-PRINCIPLE) WITH RESPECT TO THE NATO AWACS FORCE LEVEL. THE U.S. AWACS COSTS AND PRODUCTION SCHEDULE WILL BE AFFECTED BY A NATO AWACS PROCUREMENT (SEE ALSO REF A). THE SOONER A NATO DECISION CAN BE MADE, THE SOONER THE U.S. CAN RESTRUCTURE THE AWACS PRODUCTION PROGRAM TO A MORE ECONOMICAL PRODUCTION LEVEL. ALTHOUGH WE WOULD APPRECIATE THE ACTIVE SUPPORT OF THE DANES IN THIS PROGRAM, WE KNOW OF NO HARD-SELL ACTIVITIES THAT HAVE BEEN CONDUCTED IN DENMARK BY U.S. GOVERNMENT PERSONNEL OR U.S. CONTRACTORS INVOLVED IN THE AWACS PROGRAM. SHOULD YOU BE AWARE OF SUCH ACTIVITIES, WE WOULD APPRECIATE RECEIVING ADDITIONAL

DETAILS. ALTHOUGH WE CANNOT CONCUR WITH THE RECOMMENDATION MADE IN PARA 4 OF REF B, WE WILL CONTINUE TO MAINTAIN A SOFT-SELL ATTITUDE WITH RESPECT TO DENMARK, BELGIUM, CONFIDENTIAL

CONFIDENTIAL

PAGE 04 STATE 058246

NORWAY AND THE NETHERLANDS.

5. CONTRARY TO THE DANISH OPINION EXPRESSED IN PARA 3 OF REF B, THE PRIMARY REASON FOR THE U.S. GOVERNMENT'S AWACS INITIATIVE IN NATO IS THAT WE FIRMLY BELIEVE NATO NEEDS AWACS. IT IS THE ONLY AVAILABLE COMMAND AND CONTROL SYSTEM CAPABLE OF DETECTING AND TRACKING LOW LEVEL PENETRATING AIRCRAFT IN THE PROJECTED ECM ENVIRONMENT AND IT MAY VERY WELL BE THE ONLY SURVIVING COMMAND AND CONTROL SYSTEM IN THE EVENT OF A CONCENTRATED WARSAW PACT STRIKE.

6. EVEN IF THE NATO COMMUNITY (W-TBELGIAN AND DANISH SUPPORT) MAKES AN AGREEMENT-IN-PRINCIPLE ABOUT NOVEMBER 1975 TO ACQUIRE A NATO AWACS FORCE, FUNDING WOULD NEED TO

START IN OCTOBER 1976 BUT A SIGNIFICANT LEVEL OF FUNDING WOULD NOT BE REQUIRED UNTIL OCTOBER 1977. SINCE THE FUNDING REQUIREMENTS OVERLAP FOR BOTH THE AWACS AND THE F-16 PROGRAMS, WE SHARE YOUR CONCERN REGARDING THE POSSIBILITY THAT BELGIUM, DENMARK, NORWAY AND THE NETHERLANDS WILL MAKE A DECISION AT THE APRIL 1975 CNAD TO SUPPORT ONE BUT NOT BOTH PROGRAMS. THE DECISION IS THEIRS AND WE WILL NOT PUSH ONE WAY OR THE OTHER. SACEUR HAS NOW PUBLISHED AN OPERATIONAL REQUIREMENT FOR AN AWACS-TYPE SYSTEM (SUCH AS THE E-3A AWACS, THE E-2C HAWKEYE, OR THE UK'S NIMROD WITH MARCONI-ELLIOTT RADAR) AND THE NATIONS WILL HAVE TO DETERMINE HOW AND IF THEY WANT TO SUPPORT IT.

7. ASSUMING BELGIUM AND DENMARK OPT TO SUPPORT THE F-16 PROGRAM BUT NOT THE NATO AWACS, THE CNAD MIGHT RECOMMEND THAT SUCH AN ACQUISITION SHOULD BE COUNTED AS BELGIUM'S AND DENMARK'S FAIR SHARE IN A NATO A-R DEFENSE IMPROVEMENT PROGRAM. THIS ASPECT COULD BE HANDLED IN THE RATIONALIZATION/SPECIALIZATION PROGRAM AND SHOULD BE DISCUSSED IN GREATER DETAIL BY THE NATIONAL ARMAMENT DIRECTORS DURING THEIR REVIEW IN APRIL 1975. THE AWACS AND F-16 ARE COMPLEMENTARY--THE AWACS EXTENDS THE RADAR DETECTION RANGE OF THE F-16 WHILE THE F-26 IS SUPERIOR TO ANY PACT FIGHTER WHICH MIGHT ATTACK AWACS.

CONFIDENTIAL

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PAGE 05 STATE 058246

8. THE AWACS AND THE F-16 SALES EFFORTS IN EUROPE ARE ALSO OF CONCERN TO SPECIAL INTEREST GROUPS WHO: (1) ARE COMPETING FOR THE SAME ECONOMIC OPPORTUNITY (I.E. SACEUR'S REQUIREMENT FOR AN AWACS-TYPE SURVEILLANCE CAPABILITY) OR (2) BELIEVE THEY ARE COMPETING FOR THE SAME LIMITED DEFENSE FUNDS WITHIN DENMARK, BELGIUM, NORWAY OR THE NETHERLANDS (I.E. NATIONAL SUPPORT OF THE SACEUR REQUIREMENT OR THE F-16 BUT NOT BOTH). WE MUST DISCOURAGE ATTEMPTS BY THESE GROUPS TO AGITATE AND AGGRAVATE THE ALREADY DELICATE SITUATION SURROUNDING THESE WEAPON SYSTEMS.

9. THE US AWACS TOTAL PROGRAM COSTS HAVE INCREASED AS A RESULT OF: (1) ABNORMAL ECONOMIC ESCALATION; (2) THE REQUIREMENT TO BUDGET FOR THE POSSIBLE INSTALLATION OF SEVERAL DIFFERENT ENHANCEMENT ITEMS (ONLY TWO OF THESE HAVE BEEN IMPLEMENTED THUS FAR); AND (3) THE PRODUCTION RATE STRETCHED OUT FROM ONE AIRCRAFT PER MONTH TO ONE AIRCRAFT EVERY TWO MONTHS--A DELIBERATE MOVE TO GIVE NATO ADDITIONAL TIME TO MAKE AN AWACS DECISION WITHOUT INCURRING PRODUCTION LINE START-UP COSTS. WE EXPECT THE COST INCREASE WILL BE TREATED AS A MAJOR ISSUE IN THE

FORTHCOMING CONGRESSIONAL HEARINGS. A RECOMMENDATION EVOLVING FROM THE APRIL 1975 CNAD TO PROCURE THE NATO AWACS FORCE WOULD UNQUESTIONABLY HELP THE U.S. AWACS PROGRAM THROUGH THE HEARINGS.

10. FOR CSAF, CINCUSAFE, BRUSSELS AND USNATO. WE CONCUR WITH PARA 3 OF REF C WHICH REQUESTS THAT THE U.S. CAREFULLY RESTRAIN ITS PUBLICITY OF THE AWACS STATIC DISPLAY IN BRUSSELS BECAUSE OF THE CONCURRENT F-16 AND AWACS ACTIVITIES. ALL U.S. GOVERNMENT REPRESENTATIVES (MILITARY, CIVILIAN, AND CONTRACTOR PERSONNEL) PARTICIPATING IN THE AWACS FLIGHT DEMONSTRATIONS, AWACS STATIC DISPLAY AT BRUSSELS AIRPORT, AND AT THE AWACS/SEEK BUS TERMINAL DEMONSTRATIONS SHOULD RESPOND TO PRESS QUESTIONS WITH BRIEF FACTUAL MATERIAL--AT THE UNCLASSIFIED LEVEL--EMPHASIZING NATO (NOT UNITED STATES) ASPECTS OF THE PROGRAM. AS A RESULT OF THE EXTENSIVE COVERAGE THAT THE ECM ISSUE HAS HAD IN THE FOREIGN AND DOMESTIC PRESS RECENTLY, WE SUSPECT THERE WILL BE MANY QUESTIONS ABOUT CONFIDENTIAL

CONFIDENTIAL

PAGE 06 STATE 058246

THIS SUBJECT AND FACTUAL MATERIAL SHOULD BE PREPARED IN ADVANCE. ANY OR ALL SMITH PANEL ECM INFORMATION PREVIOUSLY RELEASED HERE AS UNCLASSIFIED INFORMATION MAY BE USED TO DEVELOP THE ECM RESISTIVITY POSITION. THIS LOW-KEY PUBLICITY POLICY FOR THE AWACS APPLIES ALSO TO NORWAY, DENMARK AND THE NETHERLANDS.

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: COLLECTIVE SECURITY, MILITARY PROCUREMENT, MILITARY AIRCRAFT, AIR FORCE, AIRCRAFT SALES
Control Number: n/a
Copy: SINGLE
Draft Date: 14 MAR 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: ElyME
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975STATE058246
Document Source: CORE
Document Unique ID: 00
Drafter: COL LARIMER;EUR/RPM:
Enclosure: n/a
Executive Order: GS
Errors: N/A
Film Number: D750092-0056
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t19750348/aaaabqzd.tel
Line Count: 256
Locator: TEXT ON-LINE, ON MICROFILM
Office: ORIGIN EUR
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 5
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: 75 STATE 25687, 75 COPENHAGEN 617
Review Action: RELEASED, APPROVED
Review Authority: ElyME
Review Comment: n/a
Review Content Flags:
Review Date: 15 APR 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <15 APR 2003 by ShawDG>; APPROVED <22 SEP 2003 by ElyME>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
05 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: AIRBORNE WARNING AND CONTROL SYSTEM (AWACS) -- AND THE AIR COMBAT FIGHTER (ACF) F-16 PROGRAMS
TAGS: BEXP, MASS, BE, US, NATO
To: BRUSSELS MULTIPLE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006